

FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2015

Matlock Clements

Certified Public Accountants

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ANNUAL FINANCIAL REPORT
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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education and
The Director of Schools
Franklin Special School District
Franklin, Tennessee

Report on the Financial Statements

We have audited the accompanying combined balance sheet – regulatory basis of Franklin Special School District's Internal School Funds as of June 30, 2015, and the related combined statement of revenues, expenditures and changes in fund balances – regulatory basis for the year then ended, and the related notes to the financial statements, which collectively comprise Franklin Special School District's Internal School Funds basic financial statements, as listed in the table of contents. We also have audited the individual school balance sheets – regulatory basis, and the individual school statements of revenues, expenditures and changes in fund balances – regulatory basis presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying individual school financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A of the financial statements, the financial statements are prepared by Franklin Special School District's Internal School Funds on the basis of the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Tennessee.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Franklin Special School District's Internal School Funds as of June 30, 2015, or changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of Franklin Special School District's Internal School Funds as of June 30, 2015, and the related revenue, expenditures and changes in fund balances for the year then ended, in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note A. In addition, in our opinion, the individual school financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of Franklin Special School District's Internal School Funds as of June 30, 2015, and the related revenue, expenditures and changes in fund balances for the year then ended, in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note A.

Other Matters***Other Information***

Our audit was conducted for the purpose of forming an opinion on the combined financial statements— regulatory basis that collectively comprise the Franklin Special School District's Internal School Funds' basic financial statements. In addition, our audit was conducted for the purpose of forming an opinion on the individual school financial statements – regulatory basis, presented as supplementary information, as defined by the Government Accounting Standards Board. The supplemental schedules and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements – regulatory basis of the schools. As described in Note D of the financial statements, the supplementary schedules and other information, as listed in the table of contents, are prepared by Franklin Special School District's Internal School Funds on the basis of the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The supplemental schedules and other information, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements – regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements – regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements – regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and other information, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements – regulatory basis as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated, September 30, 2015, on our consideration of the Franklin Special School District's Internal School Funds internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Franklin Special School District's Internal School Funds internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Matlock Clements, P.C." The signature is written in a cursive, flowing style.

Matlock Clements, P.C.
Murfreesboro, Tennessee
September 30, 2015

**FRANKLIN SPECIAL SCHOOL DISTRICT-INTERNAL SCHOOL FUNDS
COMBINED BALANCE SHEET-REGULATORY BASIS-ALL SCHOOLS
JUNE 30, 2015**

	Franklin Elementary School	Freedom Intermediate School	Freedom Middle School	Johnson Elementary School	Liberty Elementary School	Moore Elementary School	Poplar Grove Elementary School	Poplar Grove Middle School	Total
ASSETS									
Cash in Bank-Checking	\$ 68,794	\$ 82,841	\$ 14,572	\$ 14,089	\$ 12,867	\$ 65,346	\$ 20,931	\$ 47,661	\$ 327,101
Accounts Receivable	93	-	-	-	29	150	-	-	272
Inventory	-	-	-	-	2,531	2,727	-	-	5,258
Total Assets	\$ 68,887	\$ 82,841	\$ 14,572	\$ 14,089	\$ 15,427	\$ 68,223	\$ 20,931	\$ 47,661	\$ 332,631
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:									
General Fund:									
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 2,531	\$ 2,727	\$ -	\$ -	\$ 5,258
Unassigned	63,864	74,408	(4,718)	12,553	4,700	64,315	19,072	18,539	252,733
Total General Fund	\$ 63,864	\$ 74,408	\$ (4,718)	\$ 12,553	\$ 7,231	\$ 67,042	\$ 19,072	\$ 18,539	\$ 257,991
Restricted fund:									
Restricted	\$ 285	\$ 3,797	\$ 10	\$ 33	\$ 152	\$ 50	\$ -	\$ 118	\$ 4,445
Assigned	4,738	4,636	19,280	1,503	8,044	1,131	1,859	29,004	70,195
Total Restricted Fund	\$ 5,023	\$ 8,433	\$ 19,290	\$ 1,536	\$ 8,196	\$ 1,181	\$ 1,859	\$ 29,122	\$ 74,640
Total Fund Balances	\$ 68,887	\$ 82,841	\$ 14,572	\$ 14,089	\$ 15,427	\$ 68,223	\$ 20,931	\$ 47,661	\$ 332,631
Total Liabilities and Fund Balances	\$ 68,887	\$ 82,841	\$ 14,572	\$ 14,089	\$ 15,427	\$ 68,223	\$ 20,931	\$ 47,661	\$ 332,631

The accompanying notes are an integral part of these financial statements.

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT-INTERNAL SCHOOL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES-ALL SCHOOLS-REGULATORY BASIS-ALL SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2015**

	Franklin Elementary School	Freedom Intermediate School	Freedom Middle School	Johnson Elementary School	Liberty Elementary School	Moore Elementary School	Poplar Grove Elementary School	Poplar Grove Middle School	Total
Fund Balances, July 1, 2014	\$ 51,331	\$ 84,743	\$ 37,189	\$ 29,155	\$ 23,678	\$ 30,737	\$ 19,140	\$ 46,868	\$ 322,841
Prior Period Adjustments	-	-	-	-	-	-	-	-	-
Adjusted Fund Balances, July 1, 2014	\$ 51,331	\$ 84,743	\$ 37,189	\$ 29,155	\$ 23,678	\$ 30,737	\$ 19,140	\$ 46,868	\$ 322,841
Revenues	\$ 72,760	\$ 180,099	\$ 164,722	\$ 62,401	\$ 104,671	\$ 189,326	\$ 104,250	\$ 159,933	\$ 1,038,162
Expenditures	55,204	181,976	187,339	77,467	113,540	151,836	98,176	156,537	1,022,075
Excess of Revenues Over (Under) Expenditures	\$ 17,556	\$ (1,877)	\$ (22,617)	\$ (15,066)	\$ (8,869)	\$ 37,490	\$ 6,074	\$ 3,396	\$ 16,087
Other Financing Sources (Uses):									
Changes [Increase (Decrease)] in Inventory	\$ -	\$ (25)	\$ -	\$ -	\$ 618	\$ (4)	\$ (4,283)	\$ (2,603)	\$ (6,297)
Operating Transfers In	-	1,099	-	-	-	-	1,018	155	2,272
Operating Transfers Out	-	(1,099)	-	-	-	-	(1,018)	(155)	(2,272)
Total Other Financing Sources (Uses)	\$ -	\$ (25)	\$ -	\$ -	\$ 618	\$ (4)	\$ (4,283)	\$ (2,603)	\$ (6,297)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 17,556	\$ (1,902)	\$ (22,617)	\$ (15,066)	\$ (8,251)	\$ 37,486	\$ 1,791	\$ 793	\$ 9,790
Fund Balances, June 30, 2015	\$ 68,887	\$ 82,841	\$ 14,572	\$ 14,089	\$ 15,427	\$ 68,223	\$ 20,931	\$ 47,661	\$ 332,631

The accompanying notes are an integral part of these financial statements.

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Background

Section 49-2-110, *Tennessee Code Annotated*, provides for internal school funds, establishes responsibility for those funds, and requires schools to adopt and follow a uniform accounting manual.

Note A – Summary of Significant Accounting Policies

1. Financial Reporting Entity

This report includes only the internal school funds of Franklin Special School District. Internal school funds consist of financial resources accounted for at the individual schools.

Internal School Funds

Internal school funds reported in the accompanying financial statements include donations and grants made to the individual schools; fees collected by schools; funds received from the local board of education; funds raised through cooperative agreements; rental fees; and student activity funds.

Student Activity Funds

Student activity funds include all money received from any source for school-sponsored student activities or school-sponsored events held at or in connection with a school, and specifically include, but are not limited to funds:

- Derived from a school-sponsored academic, art, athletic or social event involving students;
- Raised by school-sponsored clubs involving students;
- Raised by school-sponsored fundraisers involving students who are under the supervision of a school employee;
- Received from a commission for the direct sale of items to students pursuant to a cooperative agreement between the school and an outside organization;
- Received for the direct sale of items to students from a school-run bookstore located on school grounds;
- Raised from fees charged to students;
- Obtained from interest from any account that contains student activity funds;
- Obtained from any related school-sponsored activity that involves the use of school personnel, students, and property during the school day.

2. Other Comprehensive Basis of Accounting (OCBOA)

The accounting and financial reporting requirements for internal school funds are set forth in the *Tennessee Internal School Uniform Accounting Policy Manual*, issued by the Tennessee Department of Education. The requirements established in the *Tennessee Internal School Uniform Accounting Policy Manual* differ from generally accepted accounting principles primarily in the presentation of the financial statements and restricted fund revenue and expenditure accounting and reporting. The following is a summary of the basic requirements of this other comprehensive basis of accounting.

FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note A – Summary of Significant Accounting Policies – (Continued)

2. Other Comprehensive Basis of Accounting (OCBOA) – (Continued)

The financial statements consist of balance sheets and statements of revenues, expenditures and changes in fund balances.

The combined financial statements present all of the individual schools in a columnar format and are required to be presented before the notes to the financial statements. These statements focus on each of the individual schools rather than the funds within the schools. In keeping with that focus, the columnar headings identify the individual schools rather than the funds.

The individual school financial statements present the detailed fund activity in each school and are included after the notes to the financial statements.

Revenues are classified by source and expenditures are classified by either function or object for the general fund but not the restricted fund. Revenues and expenditures of the restricted fund are recorded based on the specific group or activity which will benefit or expend the funds. The activity in the restricted “accounts” is presented as total revenues and transfers in and total expenditures and transfers out for each account. A corresponding “fund balance” is presented for each account. Although the restricted fund is a single fund, each account within the fund must present its portion of the restricted fund balance. Transfers reported on the financial statements represent authorized movement of funds between restricted accounts as well as between the general fund and restricted fund.

3. Measurement Focus and Basis of Accounting

The accompanying financial statements are reported using the current financial resources measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheets and the fund balances report only spendable resources. Internal school funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Management policies define available as collectible within 60 days after the fiscal year end. Expenditures are generally recognized when the related fund liability is incurred, if measurable.

4. Fund Structure

The accounts of the individual schools are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of the fund’s assets, liabilities, fund equity, revenues and expenditures. The funds are grouped in the accompanying financial statements as follows:

FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note A – Summary of Significant Accounting Policies – (Continued)

5. Fund Structure – (Continued)

General Fund

The general fund is used to account for all money to be used for the general operation of the school or for the welfare of the student body. Revenues and expenditures in this fund are not restricted to any specific group or activity.

Restricted Fund

The restricted fund is used to account for money that is restricted for the use of a specific segment of the school population or legally restricted for a specific purpose and not intended to benefit the general school population.

6. Inventory

Inventories are stated at lower of cost (first-in, first-out) or market (net realizable value). The purchases method is used to account for inventories. Under the purchases method, inventories are reported as an expenditure when purchased (or when received for donated items) rather than being capitalized as an asset. However, significant amounts of inventory, if any, on hand at year-end are reported as an asset in the financial statements.

In accordance with generally accepted accounting principles, the fair value of donated goods and supplies are recognized as revenues and expenditures in the financial statements. For the current year no significant amounts of such donations were received.

7. Fund Balances

Nonspendable Fund Balance

Fund balances reported as nonspendable in the accompanying financial statements represent amounts for inventory in the general fund.

Restricted Fund Balance

Fund balances reported as restricted in the accompanying financial statements are the result of externally imposed restrictions placed upon certain resources accounted for in the restricted funds. This includes BEP (Basic Education Program) funds and grant funds.

When both restricted and unrestricted resources are available for us, it is the school system's policy to use restricted resources first, then unrestricted resources as they are needed.

Assigned Fund Balance

Amounts that are constrained by each school's intent to be used for specific purposes are reflected as assigned in the accompanying financial statements. This includes accounts reported in the restricted fund at each school, except for those that account for externally restricted resources as described above. Inventory amounts for restricted accounts are reflected as assigned

FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note A – Summary of Significant Accounting Policies – (Continued)

6. Fund Balances – (Continued)

because the use of the proceeds from the sale of those inventories is assigned. Board of Education allocation amounts not spent by the end of the fiscal year are reflected as assigned in the general fund because the Board's intent is for those resources to be expended for instruction, administration, and/or operations and maintenance.

The Board of Education is authorized to assign amounts for specific purposes with respect to the amounts they allocate to the individual schools. The principal is the official authorized to assign all other amounts to a specific purpose. Authorization is established by the *Tennessee Internal School Uniform Accounting Policy Manual*.

Unassigned Fund Balance

In accordance with generally accepted accounting principles, the general fund is the only fund at each school that reports amounts for unassigned fund balance. This classification represents fund balance that is not restricted and has not been assigned to specific purposes within the general fund. When both assigned and unassigned resources are available for use, it is the school system's policy to use assigned resources first, then unassigned resources as they are needed.

The fund balance detail for Franklin Special School District is reflected in Table 1, located after Note F. Additional detail is provided on the individual school financial statements.

Note B – Deposits

Cash Deposits

Cash in bank represents funds on deposit in various depositories.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the school's deposits may not be returned to it. None of the school's deposits were exposed to custodial credit risk because all balances were entirely insured by the FDIC or through the Bank Collateral Pool with the State of Tennessee.

Legal Provisions

All deposits with financial institutions in excess of FDIC limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution(s) that participates in the State of Tennessee Bank Collateral Pool administered by the state treasurer. For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits.

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note C- Capital Assets

Capital assets acquired by the individual schools are recorded as expenditures at the time of purchase. Title and accountability for capital assets purchased pass automatically to the board of education.

Note D- Supplementary Information

All information contained in the section of this report under the table of contents heading of Supplementary information was subjected to the same audit standards as the combined and individual financial statements and was prepared in conformity with the accounting practices prescribed by the *Tennessee Internal School Uniform Policy Manual*, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

Note E- Deficit Fund Balance

One school ended the year with a deficit balance. The school and fund were as follows:

Freedom Middle School	General Fund	\$(4,718)
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Note F- Subsequent Events

Subsequent events have been evaluated through September 30, 2015, the date which the financial statements were available to be issued.

FRANKLIN SPECIAL SCHOOL DISTRICT - INTERNAL SCHOOL FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

(Table 1 - Fund Balance Detail)

	<u>Franklin Elementary School</u>		<u>Freedom Intermediate School</u>		<u>Freedom Middle School</u>		<u>Johnson Elementary School</u>		<u>Liberty Elementary School</u>		<u>Moore Elementary School</u>		<u>Poplar Grove Elementary School</u>	
	<u>General Fund</u>	<u>Restricted Fund</u>	<u>General Fund</u>	<u>Restricted Fund</u>	<u>General Fund</u>	<u>Restricted Fund</u>	<u>General Fund</u>	<u>Restricted Fund</u>	<u>General Fund</u>	<u>Restricted Fund</u>	<u>General Fund</u>	<u>Restricted Fund</u>	<u>General Fund</u>	<u>Restricted Fund</u>
Fund Balances:														
Nonspendable:														
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,531	\$ -	\$ 2,727	\$ -	\$ -	\$ -
Restricted for:														
Grant Funds	-	1	-	128	-	10	-	33	-	152	-	-	-	-
Other Purposes	-	284	-	3,669	-	-	-	-	-	-	-	50	-	-
Assigned to:														
Athletic Accounts	-	-	-	-	-	4,863	-	-	-	-	-	-	-	-
Class Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	66
Club Accounts	-	-	-	-	-	25	-	-	-	-	-	-	-	-
Other Accounts	-	4,738	-	4,636	-	14,392	-	1,503	-	8,044	-	1,131	-	1,793
Unassigned:	<u>63,864</u>	<u>-</u>	<u>74,408</u>	<u>-</u>	<u>(4,718)</u>	<u>-</u>	<u>12,553</u>	<u>-</u>	<u>4,700</u>	<u>-</u>	<u>64,315</u>	<u>-</u>	<u>19,072</u>	<u>-</u>
Total Fund Balances:	<u>\$ 63,864</u>	<u>\$ 5,023</u>	<u>\$ 74,408</u>	<u>\$ 8,433</u>	<u>\$ (4,718)</u>	<u>\$ 19,290</u>	<u>\$ 12,553</u>	<u>\$ 1,536</u>	<u>\$ 7,231</u>	<u>\$ 8,196</u>	<u>\$ 67,042</u>	<u>\$ 1,181</u>	<u>\$ 19,072</u>	<u>\$ 1,859</u>

	<u>Poplar Grove Middle School</u>	
	<u>General Fund</u>	<u>Restricted Fund</u>
Fund Balances:		
Nonspendable:		
Inventory	\$ -	\$ -
Restricted for:		
Grant Funds	-	118
Other Purposes	-	-
Assigned to:		
Athletic Accounts	-	12,953
Class Accounts	-	180
Club Accounts	-	7,251
Other Accounts	-	8,620
Unassigned:	<u>18,539</u>	<u>-</u>
Total Fund Balances:	<u>\$ 18,539</u>	<u>\$ 29,122</u>

FRANKLIN SPECIAL SCHOOL DISTRICT
FRANKLIN ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2015

	ASSETS							LIABILITIES AND FUND BALANCES							
								LIABILITIES		FUND BALANCES					
	Cash on Hand	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 63,771	\$ -	\$ 93	\$ -	\$ -	\$ 63,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,864	\$ 63,864	\$ 63,864
Restricted Fund															
Other Accounts:															
CARTER- Instructional Equip & Supplies	\$ -	\$ 157	\$ -	\$ -	\$ -	\$ -	\$ 157	\$ -	\$ -	\$ -	\$ -	\$ 157	\$ -	\$ 157	\$ 157
Donations - Elks Club	-	602	-	-	-	-	602	-	-	-	-	602	-	602	602
Mu Alpha Theta FHS Mathematics	-	284	-	-	-	-	284	-	-	-	284	-	-	284	284
PTO Staff Apreciation	-	710	-	-	-	-	710	-	-	-	-	710	-	710	710
St. Paul's Millennium Development Goal	-	1,083	-	-	-	-	1,083	-	-	-	-	1,083	-	1,083	1,083
Sunshine Fund	-	2,186	-	-	-	-	2,186	-	-	-	-	2,186	-	2,186	2,186
TEEA Grant	-	1	-	-	-	-	1	-	-	-	1	-	-	1	1
Total Restricted	\$ -	\$ 5,023	\$ -	\$ -	\$ -	\$ -	\$ 5,023	\$ -	\$ -	\$ -	\$ 285	\$ 4,738	\$ -	\$ 5,023	\$ 5,023
Total General and Restricted	\$ -	\$ 68,794	\$ -	\$ 93	\$ -	\$ -	\$ 68,887	\$ -	\$ -	\$ -	\$ 285	\$ 4,738	\$ 63,864	\$ 68,887	\$ 68,887

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

FRANKLIN SPECIAL SCHOOL DISTRICT
FRANKLIN ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

	Fund Balances 7/1/2014	Prior Period Adjustments	Adjusted Fund Balances 7/1/2014	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2015
General Fund										
Administration				\$ -	\$ 2,476					
Book Fair				3,794	2,580					
Field Trips				14,496	13,618					
Fundraising				27,231	10,347					
Gifts, Bequests, Donations				2,441	-					
Instruction				-	2,312					
Operations & Maintenance				-	1,289					
Pictures				835	-					
Recycling/Beautification				5,167	1,885					
Student Rewards				-	2,582					
Total General	\$ 46,989	\$ -	\$ 46,989	\$ 53,964	\$ 37,089	\$ -	\$ -	\$ -	\$ -	\$ 63,864
Restricted Fund										
Other Accounts:										
BCBS - Kinesthetic Movement Lab	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -
CARTER- Instructional Equip & Supplies	-	-	-	1,000	843	-	-	-	-	157
Donations - Elks Club	602	-	602	-	-	-	-	-	-	602
Mu Alpha Theta FHS Mathematics	-	-	-	284	-	-	-	-	-	284
PTO Staff Appreciation	587	-	587	1,102	979	-	-	-	-	710
St. Paul's Millennium Development Goal	1,083	-	1,083	-	-	-	-	-	-	1,083
Sunshine Fund	2,069	-	2,069	780	663	-	-	-	-	2,186
Teacher's Lounge Vending	-	-	-	630	630	-	-	-	-	-
TEEA Grant	1	-	1	-	-	-	-	-	-	1
Total Restricted	\$ 4,342	\$ -	\$ 4,342	\$ 18,796	\$ 18,115	\$ -	\$ -	\$ -	\$ -	\$ 5,023
Total General and Restricted	\$ 51,331	\$ -	\$ 51,331	\$ 72,760	\$ 55,204	\$ -	\$ -	\$ -	\$ -	\$ 68,887

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

FRANKLIN SPECIAL SCHOOL DISTRICT
FREEDOM INTERMEDIATE SCHOOL - INTERNAL SCHOOL FUNDS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2015

	ASSETS							LIABILITIES AND FUND BALANCES							
								LIABILITIES		FUND BALANCES					
	Cash on Hand	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 74,408	\$ -	\$ -	\$ -	\$ -	\$ 74,408	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,408	\$ 74,408	\$ 74,408
Restricted Fund															
Other Accounts:															
Band	\$ -	\$ 872	\$ -	\$ -	\$ -	\$ -	\$ 872	\$ -	\$ -	\$ -	\$ -	\$ 872	\$ -	\$ 872	\$ 872
Chorus/Drama	-	1,329	-	-	-	-	1,329	-	-	-	-	1,329	-	1,329	1,329
FIS Bulldog Council	-	1,599	-	-	-	-	1,599	-	-	-	-	1,599	-	1,599	1,599
Library Donations	-	154	-	-	-	-	154	-	-	-	-	154	-	154	154
Scholarships	-	3,669	-	-	-	-	3,669	-	-	-	3,669	-	-	3,669	3,669
Sunshine Fund	-	541	-	-	-	-	541	-	-	-	-	541	-	541	541
Teacher Grant - Parker	-	128	-	-	-	-	128	-	-	-	128	-	-	128	128
Teacher Memorial Fund	-	141	-	-	-	-	141	-	-	-	-	141	-	141	141
Total Restricted	\$ -	\$ 8,433	\$ -	\$ -	\$ -	\$ -	\$ 8,433	\$ -	\$ -	\$ -	\$ 3,797	\$ 4,636	\$ -	\$ 8,433	\$ 8,433
Total General and Restricted	\$ -	\$ 82,841	\$ -	\$ -	\$ -	\$ -	\$ 82,841	\$ -	\$ -	\$ -	\$ 3,797	\$ 4,636	\$ 74,408	\$ 82,841	\$ 82,841

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT
FREEDOM INTERMEDIATE SCHOOL - INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Fund Balances 7/1/2014	Prior Period Adjustments	Adjusted Fund Balances 7/1/2014	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2015
General Fund										
Administration				\$ -	\$ 218					
Book Fair				12,493	10,942					
Field Trips				33,702	32,616					
Fines & Fees				96	-					
Fundraising				48,243	26,777					
Gifts, Bequests, Donations				400	-					
Instruction				-	28,171					
Interest				117	-					
Library				646	155					
Marine Lab				50,251	47,406					
Operation and Maintenance				-	741					
Pictures				1,434	-					
Student Workbooks				620	-					
Yearbook				3,082	2,845					
Total General	\$ 72,121	\$ -	\$ 72,121	\$ 151,084	\$ 149,871	\$ 1,099	\$ -	\$ (25)	\$ -	\$ 74,408
Restricted Fund										
Other Accounts:										
Band	\$ 2,823	\$ -	\$ 2,823	\$ 4,303	\$ 6,254	\$ -	\$ -	\$ -	\$ -	\$ 872
Champion T-Shirts	72	-	72	-	-	-	72	-	-	-
Chorus/Drama	3,163	-	3,163	10,970	12,804	-	-	-	-	1,329
Crew Team	369	-	369	-	-	-	369	-	-	-
Explorer T-Shirts	59	-	59	-	-	-	59	-	-	-
FIS Bulldog Council	579	-	579	8,263	7,243	-	-	-	-	1,599
Jump Rope Team	8	-	8	-	-	-	8	-	-	-
Library Donations	287	-	287	180	313	-	-	-	-	154
Scholarships	3,929	-	3,929	-	260	-	-	-	-	3,669
Sunshine Fund	587	-	587	1,003	1,049	-	-	-	-	541

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

FRANKLIN SPECIAL SCHOOL DISTRICT
FREEDOM INTERMEDIATE SCHOOL - INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

	Fund Balances 7/1/2014	Prior Period Adjustments	Adjusted Fund Balances 7/1/2014	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2015
Survivors T-Shirts	14	-	14	-	-	-	14	-	-	-
SWAT T-Shirts	577	-	577	-	-	-	577	-	-	-
Teacher Grant - Parker	14	-	14	1,800	1,686	-	-	-	-	128
Teacher Memorial Fund	141	-	141	-	-	-	-	-	-	141
TN Arts Commission	-	-	-	2,496	2,496	-	-	-	-	-
Total Restricted	\$ 12,622	\$ -	\$ 12,622	\$ 29,015	\$ 32,105	\$ -	\$ 1,099	\$ -	\$ -	\$ 8,433
Total General and Restricted	\$ 84,743	\$ -	\$ 84,743	\$ 180,099	\$ 181,976	\$ 1,099	\$ 1,099	\$ (25)	\$ -	\$ 82,841

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT
FREEDOM MIDDLE SCHOOL - INTERNAL SCHOOL FUNDS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2015**

	ASSETS							LIABILITIES AND FUND BALANCES							
								LIABILITIES		FUND BALANCES					
	Cash on Hand	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ (4,718)	\$ -	\$ -	\$ -	\$ -	\$ (4,718)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,718)	\$ (4,718)	\$ (4,718)
Restricted Fund															
Athletic Accounts:															
Athletics	\$ -	\$ 4,584	\$ -	\$ -	\$ -	\$ -	\$ 4,584	\$ -	\$ -	\$ -	\$ -	\$ 4,584	\$ -	\$ 4,584	\$ 4,584
Cheerleaders	-	279	-	-	-	-	279	-	-	-	-	279	-	279	279
Club Accounts:															
Best Buddies Club	-	18	-	-	-	-	18	-	-	-	-	18	-	18	18
Outdoor Environmental Club	-	7	-	-	-	-	7	-	-	-	-	7	-	7	7
Other Accounts:															
Band	-	3,376	-	-	-	-	3,376	-	-	-	-	3,376	-	3,376	3,376
Chorus	-	2,283	-	-	-	-	2,283	-	-	-	-	2,283	-	2,283	2,283
Dollar General Literacy Grant	-	5	-	-	-	-	5	-	-	-	5	-	-	5	5
Drama	-	1,057	-	-	-	-	1,057	-	-	-	-	1,057	-	1,057	1,057
Freedom Families	-	863	-	-	-	-	863	-	-	-	-	863	-	863	863
NJHS	-	318	-	-	-	-	318	-	-	-	-	318	-	318	318
Stem Grant-Leadership Academy	-	5	-	-	-	-	5	-	-	-	5	-	-	5	5
Student Council	-	5,440	-	-	-	-	5,440	-	-	-	-	5,440	-	5,440	5,440
Sunshine Fund	-	265	-	-	-	-	265	-	-	-	-	265	-	265	265
Teacher's Lounge Vending	-	790	-	-	-	-	790	-	-	-	-	790	-	790	790
Total Restricted	\$ -	\$ 19,290	\$ -	\$ -	\$ -	\$ -	\$ 19,290	\$ -	\$ -	\$ -	\$ 10	\$ 19,280	\$ -	\$ 19,290	\$ 19,290
Total General and Restricted	\$ -	\$ 14,572	\$ -	\$ -	\$ -	\$ -	\$ 14,572	\$ -	\$ -	\$ -	\$ 10	\$ 19,280	\$ (4,718)	\$ 14,572	\$ 14,572

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT
FREEDOM MIDDLE SCHOOL - INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Fund Balances 7/1/2014	Prior Period Adjustments	Adjusted Fund Balances 7/1/2014	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2015
General Fund										
Administration				\$ -	\$ 28,780					
Field Trips				3,221	4,269					
Fundraising				49,069	23,204					
Gifts, Bequests, Donations				2,671	-					
Instruction				-	15,041					
Interest				41	-					
Library				2,164	-					
Operations & Maintenance				-	1,125					
PE Uniforms				6,205	4,616					
Pictures				134	-					
Student Rewards				-	3,899					
Total General	\$ 12,711	\$ -	\$ 12,711	\$ 63,505	\$ 80,934	\$ -	\$ -	\$ -	\$ -	\$ (4,718)
Restricted Fund										
Athletic Accounts:										
Athletics	\$ 5,326	\$ -	\$ 5,326	\$ 51,802	\$ 52,544	\$ -	\$ -	\$ -	\$ -	\$ 4,584
Cheerleaders	(18)	-	(18)	3,085	2,788	-	-	-	-	279
Club Accounts:										
Best Buddies Club	-	-	-	140	122	-	-	-	-	18
Outdoor Environmental Club	65	-	65	-	58	-	-	-	-	7
Other Accounts:										
Band	6,997	-	6,997	18,852	22,473	-	-	-	-	3,376
Chorus	2,090	-	2,090	4,097	3,904	-	-	-	-	2,283
Dollar General Literacy Grant	-	-	-	2,000	1,995	-	-	-	-	5
Drama	1,088	-	1,088	12,420	12,451	-	-	-	-	1,057
Freedom Families	863	-	863	-	-	-	-	-	-	863
NJHS	1,355	-	1,355	1,658	2,695	-	-	-	-	318

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT
FREEDOM MIDDLE SCHOOL - INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Fund Balances 7/1/2014	Prior Period Adjustments	Adjusted Fund Balances 7/1/2014	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2015
Pencil Grant	(2)	-	(2)	2	-	-	-	-	-	-
Stem Grant-Leadership Academy	-	-	-	1,200	1,195	-	-	-	-	5
Student Council	6,081	-	6,081	3,347	3,988	-	-	-	-	5,440
Sunshine Fund	105	-	105	1,082	922	-	-	-	-	265
Teacher's Lounge Vending	528	-	528	1,532	1,270	-	-	-	-	790
Total Restricted	\$ 28,686	\$ -	\$ 24,478	\$ 101,217	\$ 106,405	\$ -	\$ -	\$ -	\$ -	\$ 19,290
Total General and Restricted	<u>\$ 35,437</u>	<u>\$ -</u>	<u>\$ 37,189</u>	<u>\$ 164,722</u>	<u>\$ 187,339</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,572</u>

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT
JOHNSON ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2015**

	ASSETS						LIABILITIES AND FUND BALANCES								
							LIABILITIES		FUND BALANCES						
	Cash on Hand	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 12,553	\$ -	\$ -	\$ -	\$ -	\$ 12,553	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,553	\$ 12,553	\$ 12,553
Restricted Fund															
Other Accounts:															
Art Grant	\$ -	\$ 33	\$ -	\$ -	\$ -	\$ -	\$ 33	\$ -	\$ -	\$ -	\$ 33	\$ -	\$ -	\$ 33	\$ 33
Recycling Fund	-	1,077	-	-	-	-	1,077	-	-	-	-	1,077	-	1,077	1,077
Sunshine Fund	-	303	-	-	-	-	303	-	-	-	-	303	-	303	303
Teacher Appreciation	-	71	-	-	-	-	71	-	-	-	-	71	-	71	71
Teacher's Lounge Vending	-	52	-	-	-	-	52	-	-	-	-	52	-	52	52
Total Restricted	\$ -	\$ 1,536	\$ -	\$ -	\$ -	\$ -	\$ 1,536	\$ -	\$ -	\$ -	\$ 33	\$ 1,503	\$ -	\$ 1,536	\$ 1,536
Total General and Restricted	\$ -	\$ 14,089	\$ -	\$ -	\$ -	\$ -	\$ 14,089	\$ -	\$ -	\$ -	\$ 33	\$ 1,503	\$ 12,553	\$ 14,089	\$ 14,089

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT
JOHNSON ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Fund Balances 7/1/2014	Prior Period Adjustments	Adjusted Fund Balances 7/1/2014	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2015
General Fund										
Administration				\$ -	\$ 1,806					
Book Fair				8,007	8,007					
Field Trips				14,133	13,900					
Fundraising				24,179	13,737					
Gifts, Bequests, Donations				3,689	-					
Instruction				-	15,269					
Interest				27	-					
Library				304	304					
Memory Books				2,844	3,089					
Operations & Maintenance				-	2,683					
Pictures				755	-					
T-Shirts				2,610	2,549					
Total General	\$ 17,349	\$ -	\$ 17,349	\$ 56,548	\$ 61,344	\$ -	\$ -	\$ -	\$ -	\$ 12,553
Restricted Fund										
Other Accounts:										
Art Grant	\$ 33	\$ -	\$ 33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33
JES Midway-Tutoring Program	8,632	-	8,632	-	8,632	-	-	-	-	-
PE-Walk Across Williamson	2,500	-	2,500	3,000	5,500	-	-	-	-	-
Recycling Fund	-	-	-	1,077	-	-	-	-	-	1,077
Sunshine Fund	449	-	449	860	1,006	-	-	-	-	303
Teacher Appreciation	192	-	192	864	985	-	-	-	-	71
Teacher's Lounge Vending	-	-	-	52	-	-	-	-	-	52
Total Restricted	\$ 11,806	\$ -	\$ 11,806	\$ 5,853	\$ 16,123	\$ -	\$ -	\$ -	\$ -	\$ 1,536
Total General and Restricted	\$ 29,155	\$ -	\$ 29,155	\$ 62,401	\$ 77,467	\$ -	\$ -	\$ -	\$ -	\$ 14,089

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

FRANKLIN SPECIAL SCHOOL DISTRICT
LIBERTY ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2015

	ASSETS							LIABILITIES AND FUND BALANCES							
								LIABILITIES		FUND BALANCES					
	Cash on Hand	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 4,671	\$ -	\$ 29	\$ 2,531	\$ -	\$ 7,231	\$ -	\$ -	\$ 2,531	\$ -	\$ -	\$ 4,700	\$ 7,231	\$ 7,231
Restricted Fund															
Other Accounts:															
Art Grant	\$ -	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ -	\$ -	\$ -	\$ 7	\$ -	\$ -	\$ 7	\$ 7
D. Williams CHS Project	-	3	-	-	-	-	3	-	-	-	-	3	-	3	3
Drama/Music Funds	-	3,059	-	-	-	-	3,059	-	-	-	-	3,059	-	3,059	3,059
Elks Club Donation	-	4	-	-	-	-	4	-	-	-	-	4	-	4	4
Field Trip Safety Shirts	-	3,290	-	-	-	-	3,290	-	-	-	-	3,290	-	3,290	3,290
Skate P.M./Dest. Imag.	-	309	-	-	-	-	309	-	-	-	-	309	-	309	309
Sunshine Fund	-	379	-	-	-	-	379	-	-	-	-	379	-	379	379
Walk Across Williamson/PE	-	1,000	-	-	-	-	1,000	-	-	-	-	1,000	-	1,000	1,000
WLES Grant	-	145	-	-	-	-	145	-	-	-	145	-	-	145	145
Total Restricted	\$ -	\$ 8,196	\$ -	\$ -	\$ -	\$ -	\$ 8,196	\$ -	\$ -	\$ -	\$ 152	\$ 8,044	\$ -	\$ 8,196	\$ 8,196
Total General and Restricted	\$ -	\$ 12,867	\$ -	\$ 29	\$ 2,531	\$ -	\$ 15,427	\$ -	\$ -	\$ 2,531	\$ 152	\$ 8,044	\$ 4,700	\$ 15,427	\$ 15,427

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

FRANKLIN SPECIAL SCHOOL DISTRICT
LIBERTY ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

	Fund Balances 7/1/2014	Prior Period Adjustments	Adjusted Fund Balances 7/1/2014	Revenues	Expenditures	Other Financing Sources (Uses)		Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2015
						Transfers In	Transfers Out			
General Fund										
Administration				\$ -	\$ 2,386					
Bookstore				13,238	-					
Field Trips				14,288	15,651					
Fines, Fees, & Dues				421	-					
Fundraising				49,590	39,207					
Gifts, Bequests, Donations				5,252	-					
Instruction				-	35,891					
Interest				7	-					
Library				-	2,391					
Physical Education				1,890	1,890					
Pictures				6,671	-					
Recycling				85	26					
Student Rewards				-	121					
Total General	\$ 12,734	\$ -	\$ 12,734	\$ 91,442	\$ 97,563	\$ -	\$ -	\$ 618	\$ -	\$ 7,231
Restricted Fund										
Other Accounts:										
Art Grant	\$ 7	\$ -	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7
D. Williams CHS Project	3	-	3	-	-	-	-	-	-	3
Dollar General Literacy Grant	-	-	-	2,000	2,000	-	-	-	-	-
Drama/Music Funds	3,544	-	3,544	2,503	2,988	-	-	-	-	3,059
Elks Club Donation	4	-	4	-	-	-	-	-	-	4
Field Trip Safety Shirts	5,476	-	5,476	5,646	7,832	-	-	-	-	3,290
Skate P.M./Dest. Imag.	9	-	9	300	-	-	-	-	-	309
Sunshine Fund	256	-	256	1,080	957	-	-	-	-	379
Target Field Trip Grant	-	-	-	700	700	-	-	-	-	-

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT
LIBERTY ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Fund Balances 7/1/2014	Prior Period Adjustments	Adjusted Fund Balances 7/1/2014	Revenues	Expenditures	<u>Other Financing Sources (Uses)</u>		Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2015
						Transfers In	Transfers Out			
Teacher Lounge Renovation	1,500	-	1,500	-	1,500	-	-	-	-	-
Walk Across Williamson/PE	-	-	-	1,000	-	-	-	-	-	1,000
WLES Grant	145	-	145	-	-	-	-	-	-	145
Total Restricted	\$ 10,944	\$ -	\$ 10,944	\$ 13,229	\$ 15,977	\$ -	\$ -	\$ -	\$ -	\$ 8,196
Total General and Restricted	\$ 23,678	\$ -	\$ 23,678	\$ 104,671	\$ 113,540	\$ -	\$ -	\$ 618	\$ -	\$ 15,427

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

FRANKLIN SPECIAL SCHOOL DISTRICT
MOORE ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2015

	ASSETS							LIABILITIES AND FUND BALANCES							
								LIABILITIES		FUND BALANCES					
	Cash on Hand	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 64,165	\$ -	\$ 150	\$ 2,727	\$ -	\$ 67,042	\$ -	\$ -	\$ 2,727	\$ -	\$ -	\$ 64,315	\$ 67,042	\$ 67,042
Restricted Fund															
Other Accounts:															
Cleveland - Donation - Instructional	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ 50	\$ 50
Teacher Activity	-	102	-	-	-	-	102	-	-	-	-	102	-	102	102
Teacher Appreciation	-	829	-	-	-	-	829	-	-	-	-	829	-	829	829
Teacher's Lounge Vending	-	200	-	-	-	-	200	-	-	-	-	200	-	200	200
Total Restricted	\$ -	\$ 1,181	\$ -	\$ -	\$ -	\$ -	\$ 1,181	\$ -	\$ -	\$ -	\$ 50	\$ 1,131	\$ -	\$ 1,181	\$ 1,181
Total General and Restricted	\$ -	\$ 65,346	\$ -	\$ 150	\$ 2,727	\$ -	\$ 68,223	\$ -	\$ -	\$ 2,727	\$ 50	\$ 1,131	\$ 64,315	\$ 68,223	\$ 68,223

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

FRANKLIN SPECIAL SCHOOL DISTRICT
MOORE ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

	Fund Balances 7/1/2014	Prior Period Adjustments	Adjusted Fund Balances 7/1/2014	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2015
General Fund										
Administration				\$ -	\$ 357					
Bookstore				1,912	1,532					
Book Fair				10,881	8,944					
Field Trips				19,101	17,972					
Fines, Fees, Etc.				607	-					
Fundraising				100,714	41,394					
Gifts, Bequests, Donations				25,558	-					
Instruction				-	14,555					
Interest				60	-					
Operations & Maintenance				-	579					
Pictures				7,805	-					
Playground				-	43,078					
Student Supply Packs				10,086	10,053					
T-Shirts & Other Resale				3,078	3,647					
Yearbook				4,800	4,756					
Total General	\$ 29,311	\$ -	\$ 29,311	\$ 184,602	\$ 146,867	\$ -	\$ -	\$ (4)	\$ -	\$ 67,042
Restricted Fund										
Other Accounts:										
Cleveland - Donation - Instructional	\$ 50	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50
Teacher Activity	22	-	22	2,164	2,084	-	-	-	-	102
Teacher Appreciation	588	-	588	2,400	2,159	-	-	-	-	829
Teacher's Lounge Vending	766	-	766	160	726	-	-	-	-	200
Total Restricted	\$ 1,426	\$ -	\$ 1,426	\$ 4,724	\$ 4,969	\$ -	\$ -	\$ -	\$ -	\$ 1,181
Total General and Restricted	\$ 30,737	\$ -	\$ 30,737	\$ 189,326	\$ 151,836	\$ -	\$ -	\$ (4)	\$ -	\$ 68,223

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

FRANKLIN SPECIAL SCHOOL DISTRICT
POPLAR GROVE ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2015

	ASSETS							LIABILITIES AND FUND BALANCES							
								LIABILITIES		FUND BALANCES					
	Cash on Hand	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 19,072	\$ -	\$ -	\$ -	\$ -	\$ 19,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,072	\$ 19,072	\$ 19,072
Restricted Fund															
Class Accounts:															
3rd Grade Class	\$ -	\$ 55	\$ -	\$ -	\$ -	\$ -	\$ 55	\$ -	\$ -	\$ -	\$ -	\$ 55	\$ -	\$ 55	\$ 55
Kindergarten Class	-	11	-	-	-	-	11	-	-	-	-	11	-	11	11
Other Accounts:															
Sunshine Fund	-	1,692	-	-	-	-	1,692	-	-	-	-	1,692	-	1,692	1,692
Teacher's Lounge Vending	-	101	-	-	-	-	101	-	-	-	-	101	-	101	101
Total Restricted	\$ -	\$ 1,859	\$ -	\$ -	\$ -	\$ -	\$ 1,859	\$ -	\$ -	\$ -	\$ -	\$ 1,859	\$ -	\$ 1,859	\$ 1,859
Total General and Restricted	\$ -	\$ 20,931	\$ -	\$ -	\$ -	\$ -	\$ 20,931	\$ -	\$ -	\$ -	\$ -	\$ 1,859	\$ 19,072	\$ 20,931	\$ 20,931

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

FRANKLIN SPECIAL SCHOOL DISTRICT
POPLAR GROVE ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

	Fund Balances 7/1/2014	Prior Period Adjustments	Adjusted Fund Balances 7/1/2014	Revenues	Expenditures	Other Financing Sources (Uses)				
						Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2015
General Fund										
Administration				\$ -	\$ 1,321					
Book Fair				8,840	7,671					
Field Trips				21,397	20,391					
Fundraising				52,588	25,674					
Gifts, Bequests, Donations				6,746	-					
Instruction				-	23,641					
Interest				29	-					
Library				586	9,121					
Operations & Maintenance				-	377					
Pictures				4,874	-					
Total General	\$ 16,491	\$ -	\$ 16,491	\$ 95,060	\$ 88,196	\$ -	\$ -	\$ (4,283)	\$ -	\$ 19,072
Restricted Fund										
Class Accounts:										
3rd Grade Class	\$ 274	\$ -	\$ 274	\$ 1,460	\$ 1,679	\$ -	\$ -	\$ -	\$ -	\$ 55
Kindergarten Class	84	-	84	544	617	-	-	-	-	11
Other Accounts:										
ExxonMobil Educational Grant	1,020	-	1,020	1,020	2,040	-	-	-	-	-
Franklin Kids Arts Fest	-	-	-	500	500	-	-	-	-	-
PGES Moral Committee	1,018	-	1,018	-	-	-	1,018	-	-	-
Staff Appreciation	22	-	22	1,836	1,858	-	-	-	-	-
Sunshine Fund	-	-	-	1,380	706	1,018	-	-	-	1,692
Target Field Trip Grant	-	-	-	700	700	-	-	-	-	-
Teacher's Lounge Vending	231	-	231	1,250	1,380	-	-	-	-	101
TN Arts Commission	-	-	-	500	500	-	-	-	-	-

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

FRANKLIN SPECIAL SCHOOL DISTRICT
POPLAR GROVE ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

	Fund Balances 7/1/2014	Prior Period Adjustments	Adjusted Fund Balances 7/1/2014	Revenues	Expenditures	Other Financing Sources (Uses)				
						Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2015
Total Restricted	\$ 2,649	\$ -	\$ 2,649	\$ 9,190	\$ 9,980	\$ 1,018	\$ 1,018	\$ -	\$ -	\$ 1,859
Total General and Restricted	<u>\$ 19,140</u>	<u>\$ -</u>	<u>\$ 19,140</u>	<u>\$ 104,250</u>	<u>\$ 98,176</u>	<u>\$ 1,018</u>	<u>\$ 1,018</u>	<u>\$ (4,283)</u>	<u>\$ -</u>	<u>\$ 20,931</u>

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

FRANKLIN SPECIAL SCHOOL DISTRICT
POPLAR GROVE MIDDLE SCHOOL - INTERNAL SCHOOL FUNDS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2015

	ASSETS							LIABILITIES AND FUND BALANCES							
								LIABILITIES		FUND BALANCES					
	Cash on Hand	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non-Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 18,539	\$ -	\$ -	\$ -	\$ -	\$ 18,539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,539	\$ 18,539	\$ 18,539
Restricted Fund															
Athletic Accounts:															
Athletics	\$ -	\$ 1,565	\$ -	\$ -	\$ -	\$ -	\$ 1,565	\$ -	\$ -	\$ -	\$ -	\$ 1,565	\$ -	\$ 1,565	\$ 1,565
Cheerleading	-	11,388	-	-	-	-	11,388	-	-	-	-	11,388	-	11,388	11,388
Class Accounts:															
6th Grade Class	-	116	-	-	-	-	116	-	-	-	-	116	-	116	116
Eric Ellison Class	-	64	-	-	-	-	64	-	-	-	-	64	-	64	64
Club Accounts:															
Beta Club	-	387	-	-	-	-	387	-	-	-	-	387	-	387	387
Drama Club	-	6,856	-	-	-	-	6,856	-	-	-	-	6,856	-	6,856	6,856
Middle School Art Club	-	8	-	-	-	-	8	-	-	-	-	8	-	8	8
Other Accounts:															
Farm Bureau Grant - Outdoor Garden	-	68	-	-	-	-	68	-	-	-	68	-	-	68	68
Grant - Language Arts	-	50	-	-	-	-	50	-	-	-	50	-	-	50	50
Green Team	-	2,143	-	-	-	-	2,143	-	-	-	-	2,143	-	2,143	2,143
Music	-	3,800	-	-	-	-	3,800	-	-	-	-	3,800	-	3,800	3,800
Staff Appreciation	-	20	-	-	-	-	20	-	-	-	-	20	-	20	20
Student Council	-	344	-	-	-	-	344	-	-	-	-	344	-	344	344
Sunshine Fund	-	1,601	-	-	-	-	1,601	-	-	-	-	1,601	-	1,601	1,601
Teacher's Lounge Vending	-	712	-	-	-	-	712	-	-	-	-	712	-	712	712
Total Restricted	\$ -	\$ 29,122	\$ -	\$ -	\$ -	\$ -	\$ 29,122	\$ -	\$ -	\$ -	\$ 118	\$ 29,004	\$ -	\$ 29,122	\$ 29,122
Total General and Restricted	\$ -	\$ 47,661	\$ -	\$ -	\$ -	\$ -	\$ 47,661	\$ -	\$ -	\$ -	\$ 118	\$ 29,004	\$ 18,539	\$ 47,661	\$ 47,661

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT
POPLAR GROVE MIDDLE SCHOOL - INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Fund Balances 7/1/2014	Prior Period Adjustments	Adjusted Fund Balances 7/1/2014	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2015
General Fund										
Administration				\$ -	\$ 10					
Book Fair				4,999	-					
Field Trips				16,398	15,787					
Fundraising				24,912	16,006					
Gifts, Bequests, Donations				1,103	-					
Instruction				-	10,916					
Interest				29	-					
Library				669	2,120					
Pictures				2,927	-					
Yearbook				7,319	5,674					
Total General	\$ 13,299	\$ -	\$ 13,299	\$ 58,356	\$ 50,513	\$ -	\$ -	\$ (2,603)	\$ -	\$ 18,539
Restricted Fund										
Athletic Accounts:										
Athletics	\$ 3,987	\$ -	\$ 3,987	\$ 15,551	\$ 17,818	\$ -	\$ 155	\$ -	\$ -	\$ 1,565
Cheerleading	15,391	-	15,391	58,036	62,039	-	-	-	-	11,388
Class Accounts:										
6th Grade Class	116	-	116	-	-	-	-	-	-	116
Eric Ellison Class	64	-	64	-	-	-	-	-	-	64
Club Accounts:										
Beta Club	329	-	329	800	742	-	-	-	-	387
Drama Club	7,270	-	7,270	6,952	7,366	-	-	-	-	6,856
Middle School Art Club	8	-	8	-	-	-	-	-	-	8
Other Accounts:										
Farm Bureau Grant - Outdoor Garden	275	-	275	-	207	-	-	-	-	68
Grant - Language Arts	50	-	50	-	-	-	-	-	-	50
Green Team	2,569	-	2,569	1,769	2,195	-	-	-	-	2,143
Music	1,286	-	1,286	15,460	12,946	-	-	-	-	3,800

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

FRANKLIN SPECIAL SCHOOL DISTRICT
POPLAR GROVE MIDDLE SCHOOL - INTERNAL SCHOOL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

	Fund Balances 7/1/2014	Prior Period Adjustments	Adjusted Fund Balances 7/1/2014	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2015
Staff Appreciation	20	-	20	-	-	-	-	-	-	20
Student Council	175	-	175	1,899	1,885	155	-	-	-	344
Sunshine Fund	1,557	-	1,557	870	826	-	-	-	-	1,601
Teacher's Lounge Vending	472	-	472	240	-	-	-	-	-	712
Total Restricted	\$ 33,569	\$ -	\$ 33,569	\$ 101,577	\$ 106,024	\$ 155	\$ 155	\$ -	\$ -	\$ 29,122
Total General and Restricted	\$ 46,868	\$ -	\$ 46,868	\$ 159,933	\$ 156,537	\$ 155	\$ 155	\$ (2,603)	\$ -	\$ 47,661

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT
FREEDOM INTERMEDIATE SCHOOL - INTERNAL SCHOOL FUNDS
SCHEDULE OF INTERFUND AND INTERACCOUNT TRANSFERS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

<u>TRANSFER TO</u>	<u>TRANSFER FROM</u>						
	<u>Champion T-Shirts</u>	<u>Crew Team</u>	<u>Explorer T-Shirts</u>	<u>Jump Rope Team</u>	<u>Survivors T-Shirts</u>	<u>SWAT T-Shirts</u>	<u>Total</u>
General	<u>\$ 72</u>	<u>\$ 369</u>	<u>\$ 59</u>	<u>\$ 8</u>	<u>\$ 14</u>	<u>\$ 577</u>	<u>\$ 1,099</u>
Total	<u>\$ 72</u>	<u>\$ 369</u>	<u>\$ 59</u>	<u>\$ 8</u>	<u>\$ 14</u>	<u>\$ 577</u>	<u>\$ 1,099</u>

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT
POPLAR GROVE ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS
SCHEDULE OF INTERFUND AND INTERACCOUNT TRANSFERS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

<u>TRANSFER TO</u>	<u>TRANSFER FROM</u>	
	PGES Moral Committee	Total
	<hr/>	<hr/>
Sunshine Fund	\$ 1,018	\$ 1,018
	<hr/>	<hr/>
Total	\$ 1,018	\$ 1,018
	<hr/> <hr/>	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT
POPLAR GROVE MIDDLE SCHOOL - INTERNAL SCHOOL FUNDS
SCHEDULE OF INTERFUND AND INTERACCOUNT TRANSFERS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

<u>TRANSFER TO</u>	<u>TRANSFER FROM</u>	
	<u>Athletics</u>	<u>Total</u>
Student Council	\$ 155	\$ 155
Total	<u>\$ 155</u>	<u>\$ 155</u>

The notes to the financial statements are an integral part of this statement.

See Independent Auditor's Report.

FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS
SCHEDULE OF FIDELITY BOND COVERAGE
JUNE 30, 2015

Commercial Crime Coverage

Type of Coverage: Employee Theft
Insurer: Catlin Indemnity Company
Amount of Coverage: \$100,000/\$500 Deductible
Policy Term: 7/1/14 – 6/30/15

Type of Coverage: Forgery or Alteration
Insurer: Catlin Indemnity Company
Amount of Coverage: \$100,000/\$500 Deductible
Policy Term: 7/1/14 – 6/30/15

Type of Coverage: Inside the Premises – Theft of Money and Securities
Insurer: Catlin Indemnity Company
Amount of Coverage: \$100,000/\$500 Deductible
Policy Term: 7/1/14 – 6/30/15

Type of Coverage: Outside the Premises – Theft of Money and Securities
Insurer: Catlin Indemnity Company
Amount of Coverage: \$100,000/\$500 Deductible
Policy Term: 7/1/14 – 6/30/15

See Independent Auditor's Report.

FRANKLIN SPECIAL SCHOOL DISTRICT - INTERNAL SCHOOL FUNDS
SCHEDULE OF SALARY SUPPLEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

<u>School</u>	<u>Amount</u>	<u>Source of Funds</u>	<u>Board Approved?</u>	<u>Proper Withholding?</u>
<u>Poplar Grove Middle School</u>				
Terry Deland	\$ 86	Drama Club	Yes	Yes
Leonardo Osorio	149	Athletics	Yes	Yes
Elaine Bailey-Fryd	<u>397</u>	Music	Yes	Yes
Total	<u><u>\$ 632</u></u>			

FRANKLIN SPECIAL SCHOOL DISTRICT - INTERNAL SCHOOL FUNDS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2015

<u>Federal Grantor/Pass-Through Grantor</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Beginning (Accrued) Deferred</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending (Accrued) Deferred</u>
<u>State Awards</u>						
TN Arts Commission - Freedom Intermediate	N/A	280339	-	2,496	2,496	-
TN Arts Commission - Poplar Grove Elementary	N/A	280760	-	500	500	-
TOTAL STATE AWARDS:			<u>\$ -</u>	<u>\$ 2,996</u>	<u>\$ 2,996</u>	<u>\$ -</u>
<u>Federal Awards</u>						
N/A						

*Note 1 - This schedule is prepared on the modified accrual basis of accounting.

*Note 2 - The above grants are earned when cash is received and not when expenditures are made. As a result, deferred revenue is not reflected in the financial statements. However, the grant resources are restricted for art expenditures by the grant contract. Any unspent funds are reflected as restricted fund balance in the accompanying financial statements.

See Independent Auditor's Report.

INTERNAL CONTROL AND COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Members of the Board of Education and
the Director of Schools
Franklin Special School District
Franklin, Tennessee

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the combined and individual financial statements of the Internal School Funds of the Franklin Special School District, Franklin, Tennessee as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Franklin Special School District Internal School Funds' basic financial statements and have issued our report thereon dated September 30, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Franklin Special School District Internal School Funds' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the combined and individual financial statements, but not for the purpose of expressing an opinion on the effectiveness of Franklin Special School District Internal School Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Franklin Special School District Internal School Funds' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. The following school had a significant deficiency identified as of June 30, 2015:

Freedom Intermediate (SD-2015-001)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin Special School District Internal School Funds' combined and individual financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Randall Matlock, CPA • Eric Clements, CPA, CITP, CFE • Andy Matlock, CPA • Jill Smith, CPA

The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses. The following school had an instance of noncompliance identified as of June 30, 2015:

Freedom Middle (MNC-2015-001)

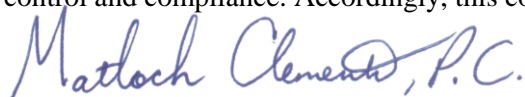
We noted certain matters that we reported to management of Franklin Special School District Internal School Funds, in a separate management letter dated September 30, 2015.

Franklin Special School District's Response to Findings

Franklin Special School District Internal School Fund's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Franklin Special School District Internal School Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Matlock Clements, P.C.
Murfreesboro, Tennessee
September 30, 2015

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015**

Summary of Auditor's Results

Financial Statements

- | | |
|---|-------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal control over financial reporting | |
| a. Material weaknesses identified? | No |
| b. Significant Deficiencies identified that are not considered to be material weaknesses? | Yes |
| 3. Noncompliance material to financial statements noted | Yes |

Financial Statement Findings – Required to be reported in Accordance With Government Auditing Standards.

**Significant Deficiencies
(SD-2015-001)**

Deficiencies in Purchasing/Disbursements Cycle

It was noted during the fieldwork that checks cleared the bank without two signatures at Freedom Intermediate School.

Recommendation

According to the *Tennessee Internal School Uniform Accounting Policy Manual*, Section 6; Title 3, two signatures are required for all checks. It is recommended that policies and procedures be put in place to ensure that all checks properly contain two signatures.

Management Response

Schools were reminded to know the specifics outlined in the TN Internal School Uniform Accounting Policy Manual. The principal and bookkeeper know that no future checks should ever be relinquished without dual signatures. As such, the principal will require that she is always the first to sign the checks rather than the bookkeeper signing them first.

No checks will be issued without two signatures.

**Material Instance of Non-Compliance
(MNC-2015-001)**

Material Instance of Non-Compliance

It was noted during the fieldwork that the general fund balance at Freedom Middle School incurred and ended with a general fund balance deficit during the year. The general fund ended the year with a deficit of (\$4,718).

Recommendation

According to the *Tennessee Internal School Uniform Policy Manual*, Section 4; Title 1, a deficit balance in the general fund (representing the net total of all account balances in the general fund) is not allowable. It is recommended that policies and procedures be put in place to ensure that the total general fund expenditures do not exceed the beginning fund balance plus current year revenue.

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015**

(MNC-2015-001)-(Continued)

Management Response

Schools were reminded to know the specifics outlined in the TN Internal School Uniform Accounting Policy Manual. Additionally, with the capabilities of our new financial software, Skyward, we at the central office are able to more closely monitor the activity funds of the schools and will provide an additional check and balance for those funds. Overspending of Freedom Middle School's general fund balance will not occur in the future.

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015**

**Prior Year Financial Statement Findings – Required to be reported in Accordance
With Government Auditing Standards.**

**Significant Deficiencies – Prior Year
(SD-14-01)**

Deficiencies in Purchasing/Disbursements Cycle

It was noted during the fieldwork that purchases were made without adequate supporting documentation at Freedom Middle School and Johnson Elementary School.

Recommendation

According to the *Tennessee Internal School Uniform Accounting Policy Manual*, Section 5; Title 3, the bookkeeper should require and obtain supporting documentation before disbursing any school money. It is recommended that policies and procedures be put in place to ensure that school funds are not disbursed until adequate supporting documentation has been obtained.

Prior Year Management Response

FMS

The FMS principal will continue to meticulously inspect all supporting documentation before purchases are made. Some pieces that were not available at the time of the audit have now been secured and sent to the auditor.

JES

Disbursement referenced (check #1944) was to the American Heart Association to send consolidated check for cash payments received during the Jump Rope for Heart event sponsored by JES PE teachers Alice Starkweather and Bethany Kokoski. Mailing cash and coin was not allowed or recommended by the American Heart Association. All supporting documentation was attached to the collection log for the event and was not seen on the day of the audit. In addition, the American Heart Association did not send a proper receipt for funds sent to them from JES. In the future, copies of all supporting documentation for this event will be held in duplicate with both the collection log and also with the check documentation. In addition, the bookkeeper will contact the American Heart Association to request a proper receipt after funds that have been collected and consolidated have been sent to their office.

Current Year Status

This issue was corrected during the current year at these schools.

(SD-14-02)

Deficiencies in Purchasing/Disbursements Cycle

It was noted during the fieldwork that sales tax was not paid on the purchase of items for resale at Liberty Elementary and Freedom Middle School.

Recommendation

According to the *Tennessee Internal School Uniform Accounting Policy Manual*, Section 4; Title 8 and Section 67-6-102, *TCA*, sales tax should be paid on the purchase price of all resale items except for school books and school lunches. When sales tax is not paid to the vendor, the school is liable for use tax on the purchase price. It is recommended that policies and procedures be put in place to ensure that sales tax is paid on the purchase price of all resale items except for the exceptions indicated above.

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015**

(SD-14-02) – (Continued)

Prior Year Management Response

FMS

The FMS principal will make every teacher aware, again, that items purchased for resale must be originally purchased with sales tax.

LES

Items in question were purchased from Sam's Club for a school event. It was an oversight as the Sam's Club account is set up as tax deductible. We will make sure sales tax is added to items purchased for resale in the future.

Current Year Status

This issue was corrected during the current year at these schools.